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STATE FOR ISN/CB, VCI/CCB, L/ACV, IO/S
SECDEF FOR OSD/ISP
JOINT STAFF FOR DD PMA-A FOR WTC
COMMERCE FOR BIS (GOLDMAN)
NSC FOR DICASAGRANDE
WINPAC FOR WALTER

E.O. 12958: N/A

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SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR
WEEK ENDING NOVEMBER 24

This is CWC-111-06.

2007 BUDGET

¶1. (U) Budget consultations were held on November 22. Once again the focus was Article VI inspections, and once again the Director General attended and made an impassioned plea for delegations to accept the Technical Secretariat's Article VI proposal found in the budget. The DG urged delegations not to make what should be a technical decision into a political decision.

¶2. (U) Delegates then reviewed the TS information paper, circulated a week earlier, on industry inspections. China indicated that it had no problem with the proposed number of Schedule 1 inspections, but still had strong objections to the proposed increase in OCPF inspections. India said they were still concerned about the proposed number of Schedule 2 inspections and as such could not accept the TS proposal on Article VI inspections.

¶3. (U) Several experts from the TS were present to answer questions from delegations, but in the end little progress was made. Delegations agreed that consultations would continue next week.

¶4. (U) A brief follow-up session was held with a small number of interested delegations (U.S., China, Iran, India, and the UK) on November 24. The opinions expressed and the outcome was the same as the earlier meeting. After the departure of the facilitator, Iran took the opportunity to change the topic and ask for an update regarding progress on the destruction deadline extension requests. The UK handled the majority of the brief response, mostly reporting in minimal detail the progress on consultations with Russia on the issue of visits.

CHINA'S CONCERNS ON 2007 OCPFINSPECTION LEVELS

¶5. (U) On November 21, Ambassador Javits had a working lunch with the Ambassador of China, Mrs. Xue Hanqin. The main

focus of the meeting was to try to get a clearer picture into the Chinese concerns about the level of OCPF inspections in the TS proposed budget for 2007. Ambassador Xue indicated that her delegation and the NAM States Parties can agree to the level of 200 inspections in 2007. Their concern is that the OCPF inspection levels need to ramp up more gradually, not all in one year. He indicated that they could even consider two consecutive years of 25-percent increases. She stated that Beijing wants more time to prepare its budget, as well as the human resources to meet the new inspection levels. She also said that Chinese and Japanese efforts on destruction of abandoned chemical weapons (ACW) have become a significant drain on their resources.

¶16. (U) Ambassador Javits commented that we did not want to see resource wasted in adding additional Schedule 1 and 2 inspections to what the TS proposed. Ambassador Xue did not oppose that sentiment, although it is unclear whether that view is a personal one or one that would be supported by Beijing.

¶17. (U) Ambassador Xue indicated that she expected a hardened position coming from Beijing to be expressed in the upcoming budget consultations, and thought that might be the case also with the NAM States Parties. She indicated that their analysis of Bill Kane's (IVB) presentation on distribution of industry inspections, given last week, showed it to contain technical flaws. Ambassador Javits challenged her to bring these supposed flaws to the attention of the TS during the consultations to see if they can be rebutted. She also expressed a desire to have more information from the DG about further OCPF inspection ramp-ups in out-years.

¶18. (U) Ambassador Xue reiterated that her government's

biggest concern is the destruction of the Japanese ACW, their concern being the ramp-up this has required for them and what might be needed additionally if the Japanese do not follow-through. She stated that the nature of the Chinese chemical industry makes their declarations very changeable from year to year, and she has asked Beijing to do a better job of making accurate declarations, particularly taking into account sites that are no longer declarable. She also pointed out that the Chinese concern with the large increase in OCPF inspections is not from their industry, but rather from their government bureaucracy and its ability to support additional inspections in their country.

¶19. (U) Javits sends.
ARNALL